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January 14, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND

Magalie R. Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
12th Street Lobby, TW-A325
Washington, D.C. 20554

Re: Notification of Permitted Written and Oral *Ex Parte* Presentations in MM Docket Nos. 91-221 and 87-8

Dear Ms. Salas:

Hearst-Argyle Television, Inc. ("HAT"), pursuant to Section 1.1206 of the Commission's rules, hereby submits an original and three copies of the enclosed written *ex parte* presentation from Bob Marbut, Chairman and Co-Chief Executive Officer of HAT, to Chairman Kennard.

In addition, HAT hereby discloses the oral *ex parte* presentation from Mr. Marbut to Chairman Kennard referenced in the attached written *ex parte* submission. The oral *ex parte* presentation presented the same data and arguments reflected in the attached written *ex parte* submission.

Please contact the undersigned should you have any questions regarding this matter.

Respectfully submitted,

E. Joseph Knoll, III

cc: Chairman Susan Ness (by hand)

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Hearst-Argyle
TELEVISION, INC.

Bob Marbut
Chairman and Co-Chief Executive Officer

January 7, 1999

The Honorable Susan Ness
Commissioner
Federal Communications Commission
445 Twelfth Street, S.W. – 8th Floor
Washington, D.C. 20024

Dear Commissioner Ness:

Thanks for all the time you gave me at Renaissance Weekend to respond more fully to the questions you raised when we met in your office in December.

To recap what I tried to say last week:

With Regard to the Definition of a Television Market

Hearst-Argyle recommends that the criterion of a Rebuttable Presumption be used in which the licenses of stations that are located in separate DMAs could be owned by a single party, unless an opponent submits a persuasive showing that the two stations do compete.

We discussed the current Hearst-Argyle Baltimore and Pulitzer Lancaster example, in which there is a Grade A overlap; yet, the stations are 50 miles apart, and the FCC itself has opined in writing that these are "separate and distinct markets." And, logic confirms this finding because:

- They have different governments and institutions - - from city all the way through the state levels.
- The station in Lancaster focuses its news and public affairs coverage on issues within its DMA and in Pennsylvania, whereas the Baltimore station focuses its news and public affairs coverage within its DMA and in Maryland.
- Nielsen treats their audiences as separate markets, issuing separate ratings reports for the two markets.

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- Advertisers (both local and national) treat them as separate markets.
- Advertising (both local and national) is sold by separate sales forces.
- The cultural, shopping and traffic patterns are separate and distinct.
- Program suppliers treat these as separate markets, giving unique pricing and exclusivity to each.
- There is an abundance of television signals available to the households in both markets. In fact, in the area where the two stations' signals overlap, there are 37 television stations providing service.

We believe that most adjacent DMAs would fall into a similar category of being separate and distinct markets, even though they contain television stations with overlapping Grade A contours. Therefore, we recommend that, in such cases of Grade A overlaps involving adjacent DMAs, it be presumed that there can be a common holder of a single license in each of the overlapping DMAs.

We recognize that there could be a small number of adjacent DMAs that are so closely linked that they should be treated as one market as far as ownership is concerned. Our analysis indicates only a handful that could possibly fall into this category. In these cases, an opponent could submit a showing that the stations in issue did compete and rebut the presumption.

With Regard to LMAs

Hearst-Argyle believes that it is in the public interest to settle the LMA issue so that all players will know the groundrules, and that the groundrules be as clear as possible going forward.

Therefore, Hearst-Argyle supports an approach in which:

- All LMAs that came into being before November of 1996 (the date after which the industry was put on notice about LMAs) would be grandfathered.
- Grandfathered LMAs could be continued as LMAs in the event of a license transfer or renewal.
- Other existing LMAs would be "sunsetted" (either at a certain date or in accordance with some similar clear groundrule).
- No new LMAs would be acceptable going forward, unless the Commission were to make some specific exceptions for LMAs that are pro-diversity with clear groundrules.

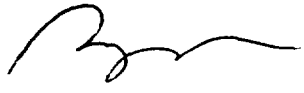
While there is no clear way to be completely fair to everyone on this issue, we believe that it is very important to resolve it once and for all, so that we all know the groundrules going forward. The brighter the line, the easier to interpret, which is why we recommend a cutoff date criterion rather than some other measure.

We suggest the November 1996 "notice date" as the best place to cut the loaf. Prior to this date, a number of LMAs were launched in good faith (because there were no specific rules and no "notice date") and because some relied on the legislative language appended to the 1996 Act as a written guideline.

Thanks again for your time. I would be happy to clarify our position further, if you desire.

Happy New Year.

Sincerely,



Bob Marbut

RGM:ck

bcc: John Conomikes
David Barrett
Tony Vinciquerra
Dean Blythe
Dick Wiley
Dick Bodorff
Wade Hargrove
Mark Prak